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January 12, 2004

### RECEIVED

By Hand Delivery

Ms Mailene Dortch **Federal Communications Commission** 445 12<sup>th</sup> Street, S W Room TW-A325 Washington, D.C. 20554

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HEXERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY

Erratum to Ex Parte Presentation CS Docket Nos. 98-120, 00-96 Rc

Dear Ms. Dortch.

This is an erratum to the above-reference ex parte letter filed on November 21, 2003 The original ex parte letter referenced an attachment which was not included with the letter. We are including the attachment now

An original and one copy of this erratum are being filed with the Secretary's Office as required by Section 1 1206(b)(2) of the Commission's Rules Please contact the undersigned if there are any questions with respect to this erratum

Very truly yours,

Thathan D. Blake

Tonothan D. Blake

Tonothan D. Blake Jonathan D Blake Attorney for the NBC

Affiliates Association

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### Multicasting Opportunities for NBC Affiliates & NBC Owned Stations

FCC Discussion



# NG NBC Affiliates Digital Broadcast Plan – 2004 Launch

## 2004 DIGITAL BROADCAST SUITE

DTV-2

DTV-3

0.0-3 5 mbps

8.9-15.4 mbps (HD)

NBC

2.0-3.5 mbps

2 0-3.5 mbps

**NBC Weather &** Alerts Network

Affiliate 24/7 Local News

INFORMATION NATIONAL LOCAL &

LOCAL NEWS

AFFILIATE PROGRAMMING **NBC NETWORK AND** 

**Extended Weather** Coverage

Terror, AMBER Travel, Traffic

Political, Extended

Complement **Local News** 

**Local Events** 

Coverage

Alerts

LATER STAGE

NBC HDTV IN PRIMETIME

Weather / Local

<u>NBC HDTV IN LATE NIGHT</u>

NBC Networks + New Local Content = Value-Added Digital Spectrum Use



### DTV-3 NBC Weather Network National / Local Balance

•			
	National Content	+	Local Content
Production	Produced at NBC News Channel (Network / Affiliate co-owned)	•	Local segments produced by local news team
Brand	"NBC Weather Network"	•	"brought to you by NBC5."  Local news cross-promo vehicle
Non- Anchored Weather	National / regional maps, conditions, forecasts Key city weather 50 "weather cam" locations	•	Automated text and radar
Anchored Weather	On-air talent with carriage	•	Regular local weatherperson reports
Field Reporting, Other	Extended News Channel severe weather reporting	•	Extended coverage of local weather emergencies Other DTV local during primetime bandwidth crunch
Traffic & Alerts	<ul> <li>Travel advisories, airport closings</li> <li>Terror alerts</li> </ul>	•	Local traffic reports, maps, cams A.M.B.E.R. alerts

Develop Leading Weather Network with Strong National / Local Balance



### Full Digital Carriage in Public Interest

		D
	•	Alt
More Video	•	Ne
	•	Mo
Competition		pro
	_	
	•	Ne
Greater		vie
Diversity	•	Ne

### Direct Consumer Benefits

- ternative to pay cable
- ew channel choices
- ore revenue for free TV ogramming

### **Other Benefits**

- Business friendly . . . more ad supply
- Equitable carriage for smaller broadcasters
- More opportunities for programmers

- ew over-the-air channels benefit all ewers ... esp. lower-income
- ew channels on cable with distribution not controlled by MSO
- Must-carry needed to launch new free services
- Congress, court say carriage key to survival ... even more true today

### Strengthened Localism

- More channels for local broadcasters. the standard-bearers of localism
- Lowers spectrum price-point for startup / independent local programmers
- More ad avails to fund local content
- Local programming in single common, nationally supported structure

### New TV Innovation

- New data streaming, downloading, and mobile technologies
- Hundreds of broadcasters (not just a few MSOs) driving innovation

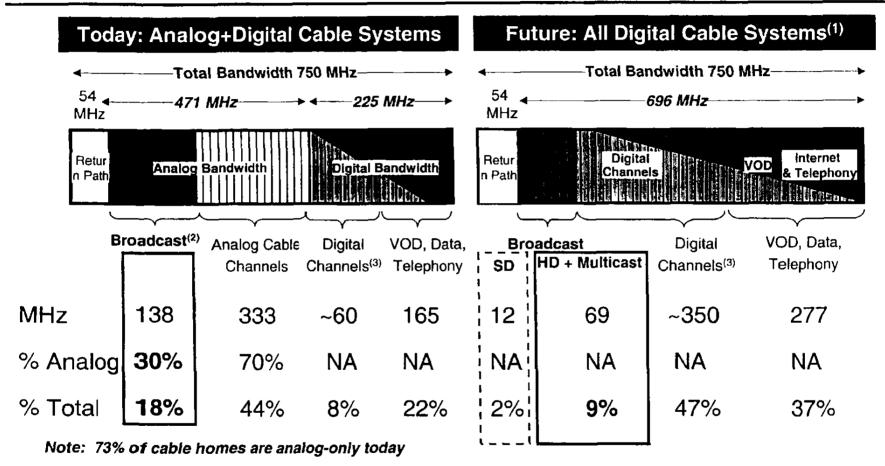
### Faster Digital Transition

- More over-the-air local content will drive consumer adoption of DTV
- Broadcasters willing to invest in multicast ahead of DTV switchover if promise of future carriage

Wide-ranging Public Interest Benefits Through 19.4 mbps DTV Must-carry



### Broadcasters' Presence on Cable Systems



- (1) Some analog capacity likely needed over next few years to service legacy TVs ... bandwidth reserved for analog will decrease over time
- (2) NY Example 23 Broadcast stations
- (3) % of digital barndwidth used for channels vs. other services will vary

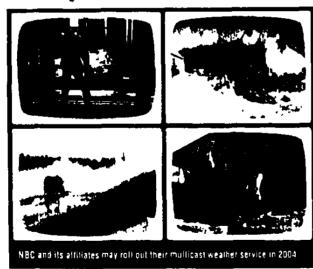
In Digital World, Full HD+Multicast Carriage Would Use 1/2 Cable Bandwidth as in Analog World



### Multicast Carriage Key to Future of Free DTV

- Multicast carriage is necessary to future broadcast viability
  - 42 stations cancelled local news in a 4-year period ending 2002, and more have cancelled since
  - In 1997, the fourth ranked stations in markets 51-175 averaged profits of \$2.4 million; in 2001, they averaged a loss of \$2.8 million
- Multicast carriage will safeguard consumers from MSO bottleneck
- Public will benefit from more diversity, competition and free, universally accessible, local programming
- Future multicast carriage will drive and accelerate transition
- Prospect of carriage requirement will induce innovative uses of digital resources by local stations now

### NBC, Affils Forecast DTV Weather Channel



BY STEVE MCCILLIAN

BC and its affiliates are developing a mostly local weather service that would be offered as part of a multicast package on their DTV channels.

"I don't think there is a TV station in the affiliate body that would say there is anything more strategic than weather," says Hearst-Argyle Television Executive Vice President Terry Mackin, who chairs the joint futures committee of NBC and its affiliates.

The weather service, which would also include news updates is one of two projects that

the futures committee has zeroed in on after several months of talks. The other, already a firm go, is a national/local Web site featuring. Olympics, coverage through 2012 (see page 38).

Last week, the affiliate board sent details of the weather service to all affiliate general managers and station-group heads, soliciting feedback Replies are due today. Network and board inembers hope to crunch the results and have a go/no-go decision on the digital service fairly soon.

NBC Chairman Bob Wright mentioned a digital weather/ news service in discussing strat-

Continued on page 38











NBC's proposed weather service would tap into attitiate resources already in place, like technology, graphics and personnel, to limit costs

### NBC, Affils Ponder Local Weather Service

Continued from page 1

egy with investors after the announcement of the NBC-Vivendi Universal fintertainment merger last month. He said the NBC digital multicast might also include HDTV, a movie channel and a "sneak peak" channel promoting Universal movies, and NBC, IV shows.

The Olympic Web site is being funded by the network as part of a recent agreement to extend the network-affiliate "Inventory Management Plan" through the 2012 Olympic games

According to Roger Ogden, chairman of the NBC affiliate board and president and general manager of Garmett's KUSA-IV Denver, the weather service could be up and running by the middle of next year. It would be jointly owned by the affiliates and the network, he says

The service would be 'locally driven," Mackin says But it would also receive namonal inserts from the NBC News Channel, the Charlotte, NC -based

news-feed service that is jointly owned by the network and affiliates

The service's format would be almost the reverse of cable's The Weather Channel, which has a national focus with opportunity

the futures committee about 14 months ago "Our aim," says Mackin, "is to come up with strategic projects that we can also get our arms around"

Much of the appeal of the weather service is that many of

sends affiliates through its News Channel feed "It doesn't take a great deal of additional resources to get to the point where they can do more," Mackin points out

The aim is to create a brand-

'Now is the time to act. We all need to operate multiple platforms in our local

ROGER OGDEN, KUSA-TV Denver

communities to be survivors over the next decade."

for local inserts. Unlike TWC, the NBC service would also feature news and safety alerts.

Weather Channel President Bill Burke says bring it on "We're confident we have a very strong product. We beat competition all the time, and we compete with INBC stations] already. We have WeatherScan as a digital all-local product, that its in 7 million bouseholds and doing extremely well."

NBC and its allihates formed

the resources are already in place and not a lot of incremental expense would be required, he adds "It really is a marriage of skills. The affiliates have the technology, graphics and personnel in place so we really are seen as the best local experts in our markets. The channel is going to leverage that expertise."

NBC, in turn, has the capabiluy to produce national elements much like the news items NBC ed, ad-supported channel that would air on broadcast and have appeal to local cable systems as well as part of digital retransmission negotiations

Ogden and Mackin confirm that the weather channel could be one of two full-time digital changes that afficates and NBC jointy operate songside NBC's UDIV programming

One thing the affiliate survey is trying to pinpoint is how many NBC stations are already

doing local weather channels on their own and to what extent stations see the current proposal as one that would mesh or conflict with their own business plans. Mackin doesn't believe that a huge number of stations are doing local weather channels now. "We fully accept that individual stations will have to make decisions based on the strategic importance to their own companies."

At the same time, Ogden adds, the broadcast industry has to get off the dime and start imple menting some real-world digital services. "We all realize that the world in which we operate single AV stations in individual maikets is going to end, whether the other lines of distribution are duopolies, robust Internet sues with video, smart uses of the dig ital spectrum or all of the above Now is the time to act. We all need to operate multiple plat forms in our local communities to be survivors over the next |decade"



### Quick! Join the Future

Programmers should exploit broadcasters' DTV multicast channels

decade or 50 ago, when John Malone recognized the potenrial of digital technology he challenged programmers to come up with new nervorks to fill the vasi digiral platform that cable operators would create. The programmers responded Today we have cable systems bulging with multiplexes and niche channels once thought uppossibly narrow in scope-sruff like Wings. MTV2 Boomerang and Soupher

The broadcasting business doesn't have a John Malone to make the call to digital. So I guess it's up to me

Here goes Round up your best programming ideas and take them to your nearest broadcast network or major TV-station group

Broadcasters have a digital platform albeit much smaller than ca-

Meanwhile DIC, the producer of popular children's animation, has let it be known that it is willing to create a childrens network for digital broadcast. Not a bad idea, and one that should rattle the lads networks on cable, which believe they have a lock on the market

I see DTV stations offering a mix of local and national services. The channel that NBC and its affiliates are cooking up is a great idea, one the other networks and their affiliates should immediately steal if they already haven't done so it's basically local but it will have room for national news and weather inserts

But other digital broadcast services could be national mimicking the best of cable. Or why not, in your town, start a multi-language channel that

Multicast must-carry looked like a stam dunk a few weeks ago. It's not such a sure thing anymore FCC Chairman Michael Powell has put off programming obligations

There is a downside for programmers looking at digital broadcast no ficense fees. Most networks on cable enjoy a second revenue stream in the form of monthly per sub payments On broadcast, channels have to make do with just one advertising. On the other hand, broadcast does have the potential of eventually reaching 100% of T\ homes







The planned NBC weather channel is an idea worth slealing

bles that is now virtually empty. They created the platform when they switched on their DTV stations

Lven after making room for prime time HDTV each TV station will have room for at least three to five programnung services. So a market with five stanons will need as many as 25 channels This so-called multicast capacity will eventually get filled. Why not by you?

Right now, broadcast DTV is a vacnum Business like nature, abhors a vacuum

I wouldn't delay. Steve McClellans front page story this week says that NBC, and its affiliates are working on a weather/news update charinel that would take one of the dignal slots on all NBC stations NBC Chairman Bob Wright says the network is also pondering a speak neek, channel to promote Universal movies and NBC shows and a movie channel. If all this comes to fruition, there will be no opportunity for oursiders on NBC O&Os or affiliates

serves the ethnic groups in your market? (There are more people of Polish ancestry in Chicago than there are in Warsaw ) Surely, the networks will try a Spanish-dubbed version of their schedule, ending the need for the SAP

To make broadcast digital service viable broadcasters probably need mulucast must-carry-that is an FCC rule that says the cable systems must carry local DTV channels in their entirety regardless of how many individual program services they contain. Only with such a must-carry rule can programmers be assured that their digital broadcast service will have a long reach at least as long as cable

Wright has made multicast mustcarry his top Washington priority. It s very important " he told us a few weeks ago. "This country has the hest free universal TV system in the world To do anything to weaken that is a terrible mistake

tion should be searching for channels to fill its digital plaiform, and every programmer should be thrusting its best ideas forward

McClellans story of the NBC's DTV plans ended with a quote from Roger Ogden, the chairman of the NBC affiliares board it bears repeating '1 think we all realize that the world in which we operate single TV stations in individual markets is going to end whether the other lines of distribution are duopolies, robusi Internet sites with video or smart uses of the digital spectrum or all of the above Now is the time to act. We all need to operate multiple platforms in our local communities to be survivors over the next dig ade

John Malone couldn't have said it

Jessell may be reached at hjessell@reedbusiness.com

action so that the commission can attend to what he thinks is more important business. Plus, the commissioners are talking about loading up the must-carry tule with all kind of

So this is the moment. Every sta-

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### TELEVISION GROUP

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